

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL**

**AUDIT OF THE DEPARTMENT  
OF CORRECTIONS' CORRECTIONAL  
TREATMENT FACILITY CONTRACT**



**AUSTIN A. ANDERSEN  
INTERIM INSPECTOR GENERAL**

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

Inspector General



April 2, 2004

Odie Washington  
Director  
Department of Corrections  
1923 Vermont Avenue, N.W., Room N207  
Washington, D.C. 20001

Jacques Abadie, III  
Chief Procurement Officer  
Office of Contracting and Procurement  
441 4th Street, N.W., Suite 700S  
Washington, D.C. 20001

Dear Mr. Washington and Mr. Abadie:

Enclosed is the final report summarizing the results of the Office of the Inspector General's (OIG) Audit of the Department of Corrections' (DOC) Correctional Treatment Facility (CTF) Contract (OIG No. 03-1-06FL).

Our audit report contains three recommendations that represent necessary actions to correct the deficiencies noted. Two recommendations were directed to the Director of DOC, and one recommendation was directed to the Chief Procurement Officer for the Office of Contracting and Procurement (OCP). Both DOC and OCP agreed with the report findings and recommendations. We consider actions taken by DOC and OCP to be responsive to the recommendations. DOC's response is incorporated in its entirety at Exhibit D of this report. OCP's response is incorporated in its entirety at Exhibit E of this report.

The CTF contractor is discussed, though not identified, in this audit report. Although no recommendations were addressed to the contractor, we provided the contractor with a courtesy copy of the draft report.

We appreciate the cooperation and courtesies extended to our staff during the audit. If you have questions, please contact William J. DiVello, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

A handwritten signature in cursive script, appearing to read "Austin A. Andersen", followed by a long horizontal flourish.

Austin A. Andersen  
Interim Inspector General

AAA/ws

Enclosure

cc: See Distribution List

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## AUDIT OF THE DEPARTMENT OF CORRECTIONS' CORRECTIONAL TREATMENT FACILITY CONTRACT

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## EXECUTIVE DIGEST

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### OVERVIEW

This report summarizes the results of the Office of the Inspector General's (OIG) Audit of the Department of Corrections' (DOC) Correctional Treatment Facility (CTF) Contract (OIG No. 03-1-06FL). The OIG included the audit in its *Fiscal Year 2003 Audit and Inspection Plan*. Additionally, the D.C. Prisoners' Legal Services Project, Inc. requested that the OIG perform a review of the CTF contract.

The central focus of this audit was to determine whether the contractor that operates and manages the CTF performed services in accordance with contract specifications. The OIG also sought to determine whether the contract was properly solicited and awarded in accordance with procurement laws and regulations, as well as whether the contract was properly administered.

### CONCLUSIONS

We concluded that the contractor complied with most of the contract specifications included in our review, and that DOC generally administered the contract in accordance with the contract terms. However, we determined that the contractor improperly hired employees to work at the CTF prior to the completion of required background investigations and drug tests. Permitting employees to work at the CTF before successful screening is not only contrary to contract requirements but also poses a security risk at the CTF.

We also determined that the CTF contract files did not contain adequate documentation. The lack of documentation precluded us from determining conclusively through review of the contract files whether the Council of the District of Columbia and the former D.C. Financial Responsibility and Management Assistance Authority approved the contract, as required by the "Department of Corrections Privatization Facilitation Temporary Act of 1996," D.C. Law 11-149 § 4(a) and the "Regulations Governing Submission by the District Government of Proposed Leases and Contracts for Authority Review and Approval," respectively.

### SUMMARY OF RECOMMENDATIONS

Our report contains three recommendations. We directed two recommendations to the Director of DOC, and one recommendation to the Chief Procurement Officer for the Office of Contracting and Procurement. The recommendations focus on:

- updating contract files with adequate documentation to demonstrate compliance with laws and other relevant procurement requirements,

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## EXECUTIVE DIGEST

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- requiring the contractor to maintain copies of inmate grievance forms to enable DOC and other auditors to determine whether grievances are properly handled, and
- requiring the current medical provider for the CTF to correct the medical deficiencies cited in the recent American Correctional Association accreditation report and the DOC audit reports in order to limit the District's risk of civil liability.

A summary of the potential benefits resulting from the audit is shown at Exhibit A.

### CORRECTIVE ACTIONS

In order to facilitate the audit, we issued a Management Alert Report (MAR No. 03-A-03) to DOC when we noted that the CTF contractor did not always follow procedures for screening job applicants (Exhibit B). In that report, we recommended that the Director, DOC monitor the contractor to ensure the personnel and medical files for the current CTF employees reflect that each employee passed the required background investigation drug test screening, and periodically review the contractor's personnel and medical files to determine whether the contractor is in compliance with the contract. The DOC concurred with our finding and noted action taken to put safeguards in place to ensure that required screenings are conducted of applicants. The DOC's response to the MAR is shown at Exhibit C.

On March 16, 2004, DOC provided a written response to our draft report. On March 22, 2004, OCP provided a written response to our draft report. We find that both DOC's and OCP's responses are acceptable and are incorporated as appropriate. DOC's and OCP's responses in their entirety are included at Exhibits D and E respectively.



## INTRODUCTION

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### BACKGROUND

**CTF Structure.** In 1991, the District of Columbia (District) expended \$103 million to construct the CTF using \$70 million in federal funds and \$33 million in District funds. The CTF opened in May 1992 as a specialized medium security institution and can accommodate up to 898 inmates. In January 2003, the District changed the mission of the CTF from a long-term treatment facility to a detention center. The CTF is accredited by the American Correctional Association (ACA).

**CTF Privatization Efforts.** The DOC operated and managed the CTF until the District privatized the facility in 1997. In 1995, the contractor submitted an unsolicited proposal to the District to privatize the CTF. The District decided to consider the unsolicited proposal for the privatization and began preparing to negotiate with the contractor. The Mayor requested the Council of the District of Columbia (Council) to exempt the District from the Procurement Practices Act of 1985 for the privatization efforts. Pursuant to D.C. Law 11-149, effective July 20, 1996, the Council granted this exemption.

In May 1996, the contractor issued a public statement indicating that the District selected the company for the privatization contract. Subsequently, another private prison company expressed an interest to be considered for the privatization contract. In response to the second firm's interest, the District issued a public notice seeking proposals from other companies. However, the second company was the only business to respond to the notice.

In June 1996, the District provided information about CTF operations to the contractor and the second company. Then, in July 1996, the District issued a formal request for offers to the two companies and held negotiations. The two companies submitted their proposals and their best and final offers in August 1996.

In September 1996, representatives from the DOC, the Office of the City Administrator, and private consultant firms evaluated the proposals. The District also consulted with two outside consulting firms to conduct a financial analysis of the proposals for the sale, leaseback, and operation of the CTF. The report dated October 22, 1996, prepared by the firms indicated that the first firm's cost proposal was more advantageous to the District. The report further indicated the following with respect to both of the private prison companies' proposals:

- **Operating Costs** - The selected contractor proposed to operate the treatment facility at a lesser cost than the other private prison company. The outside consultants projected the District would have to pay the selected contractor \$20.5 million to operate the facility for the initial year, which was approximately \$5 million less than the competing company's cost.

## INTRODUCTION

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- **Sale and Leaseback Costs** - The selected contractor proposed to provide the District with an upfront payment and capital investment costs of \$55.8 million (with no explicit interest rate). The District would be obligated to repay the costs over 20 years at an annual payment of \$2.79 million. Under the second firm's proposal, the consultants determined the District would have been obligated to repay upfront payments and capital investment costs totaling \$57 million over 20 years at an annual payment of \$6.63 million (with a true interest cost of 9.97%).

The evaluation team unanimously recommended that the District award the CTF contract to the selected contractor, and the Mayor concurred with the recommendation. In January 1997, the Department of Administrative Services (DAS), which was the contracting agency for the District at that time and the predecessor to the Office of Contracting and Procurement (OCP), entered into a 20-year contract with the selected contractor.

**Contract Requirements.** The initial contract required the contractor to operate and manage virtually all aspects of the CTF, including providing medical and food services to the inmates. This initial contract required the District to pay the contractor approximately \$230,000 per month for leasing the facility, and a \$70.40 daily per diem rate for each inmate housed at the facility. The contract provided for an annual increase of three percent in the daily per diem rate.

In calendar year 2003, the District significantly reduced the contractor's responsibilities. For example, the District assumed responsibility for the CTF medical unit on May 1, 2003; hence, the contractor is no longer responsible for providing medical services to the inmates. The District consolidated the medical services for the CTF and the Central Detention Facility (D.C. Jail). The District had a contract with a medical provider to provide medical services at the D.C. Jail, and the District amended this contract to include the provision for providing service for the CTF inmates as well. As a result of this contract change and other considerations, the District reduced the daily per diem rate.

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## INTRODUCTION

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The table below shows the changes in the daily per diem payable from October 2001 to May 2003.

**Table 1. Per Diem Rate**

Date	Daily Per Diem Rate	Reason for Increase/ Decrease
October 2001 - December 2001	\$79.24	-
January 2002 - October 2002	\$81.62	Annual Increase <sup>1</sup>
November 2002- April 2003	\$69.95	Settle Claims for Contractor's Noncompliance <sup>2</sup>
May 2003	\$55.00	Removal of Medical Responsibilities

<sup>1</sup>The annual rate should have been \$81.61 (see Section III).

<sup>2</sup>The per diem was decreased under contract modification 3 to settle claims against the contractor for alleged noncompliance (see Section III).

## OBJECTIVES, SCOPE, AND METHODOLOGY

The audit objectives were to determine whether: (1) the contract was properly solicited and awarded in accordance with procurement laws and regulations; (2) the contractor was performing effectively in accordance with the contract specifications; and (3) the contract was properly administered. Our audit period covered fiscal years 2002 and 2003, and we also reviewed the initial contract award process prior to this time period in order to acquire background information.

We reviewed contract documents, contract deliverables, prior audits and reviews, contract administration documents, invoices, and other relevant documents. In addition, the OIG interviewed personnel from the DOC, the OCP, and the Office of Chief Financial Officer, as well as other appropriate personnel, such as the contractor's staff. We coordinated our efforts with those of the General Accounting Office. The audit was performed in accordance with generally accepted government auditing standards.

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## AUDIT RESULTS

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### SECTION I - SOLICITATION AND AWARD PROCESS

#### **Solicitation and Award Requirements**

Pursuant to D.C. Law 11-149, the Council provided that the Mayor could use the most competitive process practicable when soliciting and awarding the CTF contract, thereby exempting the Mayor from following the procedures mandated by the Procurement Practices Act of 1985. Although the law provided for this exemption, the law required that: (1) the DOC publish a notice of solicitation in the D.C. Register and 2 newspapers of general circulation at least 30 days prior to awarding the contract; and (2) the Mayor submit the contract to the Council for approval if the contract involved expenditures in excess of \$1 million during a 12-month period.

#### **Discussion**

The CTF contract files did not include adequate documentation to demonstrate that the District complied with D.C. Law 11-149. In a memorandum dated September 6, 1996, the City Administrator stated that the District issued a public notice seeking proposals for the CTF privatization contract. However, the contract files did not include a copy of the notice.

The contract file also did not include adequate documentation showing that the Council approved the contract, as required. The file contained a draft bill, entitled the “Correctional Treatment Facility Emergency Act of 1996,” which provides “the Council approves the Operations and Management Agreement for the operation of the Correctional Treatment Facility.” However, the file did not contain evidence that the bill became a law or that the Council approved the contract.

Notwithstanding the Council’s exemption, the Office of the Corporation Counsel (OCC) was required to review the contract for legal sufficiency pursuant to Mayor’s Order 90-178, dated November 19, 1990.<sup>1</sup> Also, the former D.C. Financial Responsibility and Management Assistance Authority (Authority) was required to approve the contract pursuant to the “Regulations Governing Submission by the District Government of Proposed Leases and Contracts for Authority Review and Approval.” The CTF contract files included documentation of OCC’s review of the contract for legal sufficiency, as required. However, the files did not include documentation evidencing the Authority’s approval of the contract.

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<sup>1</sup> This provision is currently codified at D.C. Code § 2-301.05a(c)(1)(G) (2001).

## **AUDIT RESULTS**

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In order to demonstrate compliance with laws and regulations, the contract files should contain adequate documentation. It is clear that the Council and the Authority were both involved in the solicitation and award process, but we could not determine conclusively, through review of the contract files, that both approved the contract.

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## AUDIT RESULTS

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### SECTION II - CONTRACTOR PERFORMANCE

#### Contract Requirements

The contract requires the contractor to operate, maintain, and manage the CTF in compliance with the contract, the solicitation, the contractor's proposal, and other documents and regulations, which are collectively referred to as the operating standards. Among other responsibilities, the operating standards required the contractor to:

- Obtain ACA accreditation for the facility no later than two years after the contract award date;
- Provide contract deliverables, such as an operations manual and monthly reports;
- Conduct an annual audit of its compliance with the CTF contract using personnel not assigned to the facility;
- Provide training for employees, and perform background investigations and drug tests on all employees; and
- Maintain a mechanism for inmate grievances and incident reporting.

#### Discussion

The contractor complied with the accreditation requirement, and the requirements for providing contract deliverables, conducting annual audits, and providing employee training. Our audit also found that the contractor generally complied with the requirement of maintaining mechanisms for inmate grievances and incident reporting. However, the contractor did not always comply with the employee screening process set forth in the contract (Article 8.3, Initial Contract). Our audit results are summarized as follows:

**Accreditation.** The contractor obtained the ACA accreditation for the facility, as required, and the contractor has maintained this accreditation. Prior to the privatization of the CTF, the CTF was not accredited by the ACA, which accredits correctional facilities for an effective period of three years if they meet specific standards. The contractor obtained the initial ACA accreditation for the facility in January 1999, and in January 2002, the facility was re-accredited.

**Contract Deliverables.** The contractor developed an operations manual detailing policies and procedures for the operation of the CTF, as required. The contractor updates the operational manual on a regular basis, and the DOC contract monitor reviews the updates. The operations manual consists of detailed policies for operating the facility, and includes policies for employee training and hiring as well as procedures for handling inmate grievances and reporting incidents occurring at the facility.

## AUDIT RESULTS

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The contractor submitted monthly reports to the DOC as required, and the DOC contract monitor reviewed the reports prior to approving the invoices. The monthly reports detail the major developments and accomplishments, and include a tracking report, which contains statistics on incidents, medical care, employee training, inmate grievances, and other data.

**Quality Assurance.** The contractor performs an annual audit of the CTF, as required. Each year, personnel from the contractor's corporate office perform the audit. The most recent annual audit occurred in May 2003. The contractor also has a quality assurance manager at the CTF, who is responsible for providing day-to-day quality assurance. The quality assurance manager performs security inspections and other audits continuously throughout the year.

**Employee Training.** The contract itself does not contain specific training requirements for employees; however, the contractor's operations manual provides the specific requirements. Correctional officers must complete mandatory training classes, such as Use of Force, Institutional Safety, and Inmate Management, and complete on-the-job training. Other employees, including managers, must also satisfy annual training requirements. Our judgmental sample of 25 employees' training records showed that all except 1 employee satisfied their training requirements. The one exception had substantially completed her training and had only one more hour remaining to complete the training requirement.

**Employee Screening.** The contractor did not always properly screen employees, as required. Although the contract specifically provides that the contractor "shall not assign any employee to the CTF who does not pass the background investigation and drug test," the contractor improperly hired employees to work at the CTF prior to the completion of their background investigations and drug tests. Our judgmental sample of 37 employee records showed that 27 employees were hired before their background investigations were completed, and 19 employees were hired before the results of drug tests were known.

Permitting employees to work at the CTF before successful screening is not only contrary to contract requirements but also poses a security risk at the CTF. Hence, the OIG immediately issued a Management Alert Report (MAR No. 03-A-03) addressing this issue when it came to our attention. We recommended that the DOC monitor the contractor to ensure that the personnel and medical records for current CTF employees reflect that each employee passed the required background investigation and drug test. The DOC concurred with our finding. In response to the report, the DOC informed us that background checks and drug tests were performed for all the employees that we identified as not completing the screening process, and that it will monitor the contractor's compliance with the contract screening requirements.

## AUDIT RESULTS

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**Inmate Grievance Process.** Similar to the training requirements, the contract itself does not include the specific requirements for the grievance process. However, the contractor does include specific requirements in its operations manual. Inmates receive an inmate handbook when they are admitted to the CTF, and this handbook explains the inmate grievance process as well as other processes. The contractor generally complied with most of the requirements included in the operations manual. The DOC conducted an audit of the grievance process in March 2002. The contractor corrected most of the deficiencies cited in that audit report.

However, our review showed that although the operations manual requires the grievance officer to collect grievances every non-holiday weekday, this did not occur. In addition to collecting grievances, the grievance officer must maintain the grievance log, handle grievances, assign grievances to other staff, and file the grievances. Therefore, it may not be practical for the grievance officer to collect grievances on a daily basis. Accordingly, the contractor, along with the DOC, should reconsider the daily collection requirement and revise the operations manual as necessary.

The operations manual further provides that “[r]ecords regarding the filing and disposition of grievances shall be collected and maintained systematically by the Facility Grievance Officer through either hard copy or computerized forms.” However, the contractor did not always maintain copies of inmate grievance forms, as required. A substantial number of grievances were unavailable for review. For example, the contractor received 229 grievances in December 2002, but the contractor could only provide 158 grievance forms. The contractor needs to improve its record keeping over inmate grievances. Without copies of grievance forms, the ACA or other organizations conducting reviews cannot determine if the grievances are properly handled.

**Incident Reporting.** The contractor has a formal process for reporting and documenting incidents (assaults, fights, incidents involving use of force, etc.) that occur at the CTF. Between January 1, 2002, and April 17, 2003, the contractor reported 313 incidents. The contractor categorizes incidents into four levels - Priority I, Priority II, Priority III, and Priority IV - with the first level being the most serious level and last level being the least serious. The operations manual provides timelines for notifying CTF officials and corporate office officials, and completing standard reports based on the priority level. The contractor timely and adequately documented the incidents, as required.



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## AUDIT RESULTS

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### SECTION III - CONTRACT ADMINISTRATION

#### Monitoring Requirements

Article 5.1.2 of the contract provides that the District representative is responsible for the day-to-day activities of the District under the contract, and the representative must meet with the contractor at least once a week to review the operation of the CTF and to identify and address any issues related to the contractor's performance. (Article 1.1 of the contract defines the District representative as the executive deputy director of the DOC, or his or her designee.) In addition, under Article 11.1 of the contract, the District's contract monitor is designated as the District's official representative for all matters related to the contractor's compliance with the contract, and he/she is responsible for determining whether the CTF is not being operated in compliance with contract requirements.

Article 10.1 of the contract allows the District to fine the contractor if the contractor does not perform the required services. The article provides the contractor must pay the District \$600 per day for each incident that is a breach of the contractor's duties, but which does not constitute an event of default, and the contractor must pay the District \$1,200 per day for each incident constituting an event of default.

#### Discussion

The DOC has complied with the monitoring requirements in the contract, and has fined the contractor for not complying with contract. In addition, the DOC conducts annual audits at the CTF to ensure the contractor is complying with the contract and the Operating Standards.

**Day-to-Day Oversight.** The DOC has a full-time contract monitor (who is also the designated District representative) providing oversight, and another employee is currently assisting the contract monitor with monitoring the medical unit. As the District representative, the contract monitor regularly meets with the contractor. In addition, the contract monitor performs the following: (1) reviews monthly reports and approves invoices; (2) reviews changes to the operations manual to ensure they are consistent with the Operating Standards; (3) conducts inspections of the facility; (4) reviews inmate grievances and ensures the "serious" grievances are handled appropriately; and (5) meets occasionally with inmates.

Although we determined the DOC generally administered the contract in accordance with the contract terms, we noted the contract monitor approved invoices containing the incorrect billing rate and as a result, the District made an immaterial overpayment to the

## AUDIT RESULTS

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contractor. From January 2002 through October 2002, the contractor billed the District at a daily per diem rate of \$81.62, but the contractor should have billed at the rate of \$81.61. The District compensated the contractor at the incorrect rate, which resulted in overpayments totaling approximately \$2,296.

**Annual Audits.** The DOC also has an audit team that conducts audits or inspections at the CTF every year to determine if the contractor is complying with the contract, the ACA standards, and other applicable laws and standards. In May 2003, DOC's audit team performed a detailed audit of the operations and management of the CTF. The last detailed audit completed by the audit team prior to May 2003 was in December 2000. In calendar years 2001 and 2002, the audit team only conducted limited reviews at the facility consisting of an audit of the medical division in September 2001, and an inspection of the medical division and the grievance process in 2002.

**Assessed Fines.** Since the contractor began operating and managing the CTF, the District has assessed fines totaling \$2.9 million against the contractor for breaching contract specifications (none of which constituted an event of default). Under the third modification to the contract, the District reduced the per diem rate payable to the contractor from November 2002 through December 2003, to settle its fines against the contractor.

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## AUDIT RESULTS

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### SECTION IV - OTHER MATTERS

#### Medical Requirements

The CTF contract specifies that the contractor “shall adhere to a system of delivery in accordance with the Operations Manual and guidelines established by the American Correctional Association...” in providing medical care to the CTF inmates (Article 5.4.5, Initial Contract). The contract also states that the contractor may subcontract services provided under the contract if the District approves the subcontract; however, the contractor is responsible for the services provided by an approved subcontractor (Article 8.2, Initial Contract).

The contractor was responsible for providing medical services for the CTF until May 1, 2003, when the District assumed responsibility for the medical unit. The contractor hired a subcontractor to provide the medical services from January 2000 through June 2001, and hired another subcontractor to provide the services from September 2002 through April 2003. During the other time periods, the contractor provided the medical services itself.

#### Discussion

We reviewed the results of the most recent ACA accreditation audit, as well as the audits conducted by the DOC, and we noted the audits cited several deficiencies in the medical unit.

**ACA Accreditation.** Although the ACA re-accredited the CTF in January 2002, the ACA expressed some concerns about the medical services provided at the facility. The ACA was impressed with the medical facility’s space and equipment, the number of staff, and the cleanliness of the facility, but the ACA had concerns about the medication dispensing process, medical records, and the sick call process. Specifically, the ACA stated that: (1) morning medication was dispensed too close to afternoon medication; (2) medical paperwork was often misplaced or not filed; and (3) the sick call process was slow.

**DOC Audits.** In March 2002, the DOC audit team conducted an inspection of the medical unit. The purpose of the audit was to ascertain whether the contractor complied, partially complied, or did not comply with 91 health service aspects. The audit report indicates the audit team found several deficiencies, including that the contractor did not have a continuous quality improvement program or an effective infectious disease control program. The report also states that sick call documentation was improper and incomplete, and that sick call activity fell below the acceptable standards during the

## **AUDIT RESULTS**

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absence of a particular nurse. The audit further found that the overall level of performance for the chronic disease program was unacceptable. Finally, the audit report states that the DOC identified these same deficiencies during its previous audit conducted in September 2001.

Although the ACA and DOC audits were conducted prior to the tenure of the current medical provider, the DOC needs to ensure that these deficiencies do not currently exist in the medical unit. One of the contractor's employees informed us that although the medical providers have changed throughout the contract period, the employees have basically remained the same (that is, the subsequent providers often retained the staff of the previous providers). It is imperative that the DOC takes measures to ensure these deficiencies in the medical unit are corrected in order to limit the District's risk of civil liability.

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## AUDIT RESULTS

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### SECTION V - RECOMMENDATIONS

#### Recommendation - Section I

We recommend the Chief Procurement Officer, Office of Contracting and Procurement:

1. Update contract files with adequate documentation to demonstrate compliance with laws and other relevant procurement requirements.

#### OCP RESPONSE

OCP acknowledged the CTF contract files did not include adequate documentation to demonstrate the District complied with D.C. Law 11-149. The Chief Procurement Officer, OCP, stated he has been assured that a notice seeking proposals was publicized. The Chief Procurement Officer added that the OCP is researching its archived files to locate the notice and also is seeking a copy of the notice from the *Washington Post* in an effort to complete the contract files. In addition, the Chief Procurement Officer stated that Council approval documents have been located in the Office of Legislative Liaison and will be filed in the official contract file.

#### OIG COMMENT

OCP's completed and planned actions should demonstrate that the District complied with laws and other relevant procurement requirements regarding obtaining Council approval and publicizing contracts in awarding the CTF contract. The Authority no longer exists and, therefore, OCP may not be able to obtain a copy of the Authority's approval. Because the CTF contract, awarded in January 1997, is a 20-year contract, OCP must maintain the contract file such that a sufficient, complete history of contractual actions exist over the life of the contract.

#### Recommendations - Sections II - IV

We recommend that the Director, Department of Corrections:

2. Require the contractor to maintain copies of inmate grievance forms to enable DOC and other auditors to determine whether grievances are properly handled.
3. Require the current medical provider for the CTF to correct the medical deficiencies cited in the recent ACA accreditation report and the DOC audit reports in order to limit the District's risk of civil liability.

## **AUDIT RESULTS**

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### **DOC RESPONSE**

DOC's response illustrates the DOC has taken action to correct the deficiencies noted. The Director, DOC stated the following: (1) a proper filing and tracking system for grievances has been established to ensure all paperwork is maintained and accessible; (2) sufficient staff has been hired to ensure medications are dispensed appropriately with sufficient intervals between administering; (3) the medical record problems have been corrected with the implementation of the electronic medical record system; (4) the medical provider has consolidated policies and procedures between the Central Detention Facility and the CTF, including the quality improvement program; (5) the sick call process is monitored through the quality improvement program, and performance measures are used to measure program appropriateness and outcomes; and (6) an infectious disease control program has been implemented, and the program is monitored for appropriateness through the quality improvement program.

### **OIG COMMENT**

The actions planned by DOC should correct the conditions noted.

EXHIBIT A

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**SUMMARY OF POTENTIAL BENEFITS  
RESULTING FROM AUDIT**

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<b>Recommendation</b>	<b>Description of Benefit</b>	<b>Type of Benefit</b>
1	Compliance and Internal Control. Ensure that contract files contain adequate documentation.	Non-Monetary
2	Compliance and Internal Control. Ensure that the contractor maintains copies of inmate grievance forms.	Non-Monetary
3	Economy and Efficiency and Internal Control. Ensure that the current medical provider for the CTF correct the medical deficiencies cited in the recent ACA accreditation report and the DOC audit reports.	Non-Monetary

EXHIBIT B

MANAGEMENT ALERT REPORT

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



June 24, 2003

Odie Washington  
Director  
D.C. Department of Corrections  
1923 Vermont Avenue, N.W., Room N207  
Washington, D.C. 20001

Re: Management Alert Report No. 03-A-03

Dear Mr. Washington:

The purpose of this Management Alert Report (MAR) is to provide the interim results of our audit for your immediate action and information. During the course of our ongoing audit of the Department of Corrections' (DOC) Correctional Treatment Facility (CTF) Contract (OIG No. 03-1-06FL), we found that the contractor responsible for operating and managing the CTF did not always properly screen applicants before hiring the applicants to work at the facility.

**Background**

The Office of the Inspector General (OIG) included the CTF audit in its *Fiscal Year 2003 Audit and Inspection Plan*, which was published on August 20, 2002. In addition, in a letter to the Inspector General dated December 20, 2002, the D.C. Prisoners' Legal Services Project, Inc. requested an investigation of the CTF contract. We began audit fieldwork in March 2003. The objectives of the ongoing audit are to determine whether the: (1) contract was properly solicited and awarded in accordance with procurement regulations; (2) contract was properly administered; and (3) contractor was performing effectively. Although our audit is not complete, we are providing the finding that follows for your immediate action.

**Finding: Applicants Were Not Properly Screened**

**Synopsis.** The contractor did not always follow the contract requirements for screening applicants. Specifically, the contractor hired employees to work at the CTF prior to the completion of the employees' background investigations and drug test screenings. The contractor's payroll included 320 employees, as of April 14, 2003. Our judgmental sample of 37 employees' records showed that 27 employees did not have an investigation completed before they began working at the CTF. The file for one employee in the sample contained no record of an investigation, although this individual had been employed at the CTF since February 1998, i.e., over 5 years. Without appropriate documentation, there is no assurance that employees the contractor hired were qualified and/or suitable to work at the CTF. As a



## EXHIBIT B

### MANAGEMENT ALERT REPORT

Odie Washington, Director, DOC  
MAR No. 03-A-03  
June 24, 2003  
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result, security at the CTF may have been at risk, although the contractor subsequently completed background investigations on all 27 employees.

**Discussion.** Article 8 of the Operations and Management (O&M) Agreement (the contract) states that:

The Operator [contractor] shall perform a background investigation and drug testing for each employee it hires for the CTF as set forth in the Requirements [solicitation] and the Operator's Proposal. The Operator shall not assign any employee to the CTF who does not pass the background investigation and drug test.

Operations and Management Agreement by and Between the District of Columbia and Corrections Corporation of America, Jan. 30, 1997, art. 8, para. 8.3, at 30.

The contractor's written policy for recruiting, selecting, and hiring employees provides that the employment process will be terminated if the applicant does not successfully complete all pre-employment requirements including, but not limited to, a criminal history check, drug screening, and a post-offer physical examination.<sup>1</sup> However, the contractor did not always follow the contract requirements or the contractor's own policy with regard to screening applicants.

**Background Investigations.** Our tests of records for the 37 employees in the sample showed that the contractor properly hired 10 employees after their respective investigations had been completed. However, the contractor improperly hired 27 employees before their background investigations were completed. For example, the contractor hired a correctional officer on June 2, 1997, but documentation in the personnel file showed that the Metropolitan Police Department (MPD) did not complete the background investigation for the employee until September 12, 1997, i.e., 100 days after the employee started working at the CTF. Although all 27 employees subsequently passed background investigations, records showed that only 10 investigations were completed prior to our review. After we informed DOC and the contractor of the lack of investigations, the contractor took steps to ensure that background investigations were completed on the remaining 17 employees. Nonetheless, we believe that permitting employees to work at the CTF before successful screening is not only contrary to contract requirements but also poses a security risk at the CTF.

Of the 17 employees in our sample for whom personnel files did not contain documentation of a background investigation for the current term of employment, some employees were rehires (that is, employees who worked for the contractor at one time, left the firm, and then were later rehired). The personnel files for some of these rehired employees showed that background investigations were completed when the contractor originally hired them, but

<sup>1</sup> The D.C. Metropolitan Police Department conducts the background investigations (that is, the criminal history checks) for the applicants, and the contractor (or the designated subcontractor) collects the urine specimens from the applicants, and sends the specimens to a laboratory for testing.

## EXHIBIT B

### MANAGEMENT ALERT REPORT

Odie Washington, Director, DOC  
MAR No. 03-A-03  
June 24, 2003  
Page 3 of 4

that new background screenings were not performed to cover the intervening period from the date of the first screening.

For example, one employee originally started working at the CTF in February 1997. The contractor transferred the employee to a transportation company it owned in November 1997. Although the employee later left the contractor, we were unable to determine when the employee left. The contractor subsequently rehired the employee in June 2001. The personnel file for this employee showed that MPD completed a background investigation before the initial hiring, but there were no documents in the file indicating that MPD conducted another investigation when the employee was rehired. Former employees are not specifically exempted from contract requirements for a background investigation, given that these individuals could become involved in criminal activity after leaving the contractor's employment.

**Drug Screenings.** Our review of the medical files for the 37 employees showed that the contractor hired 19 employees before the results of drug tests were known. Of the 19 employees, 3 subsequently passed the drug test. However, the files for the remaining 16 employees were either missing (3 employees) or contained no evidence of drug test results (13 employees). For example, the contractor hired one employee on March 17, 1997, but documentation in the medical file showed that the contractor did not receive the drug test results until November 16, 1998, or about 600 days after the employee started working at the CTF.

The medical files for the rehired employees showed that the employees passed the drug screening tests when the contractor originally hired them, but the files contained no results from tests conducted prior to rehiring. For example, one employee originally started working at the CTF in October 2000 and left CTF in October 2001. The contractor rehired the employee in September 2002 (almost 2 years after the employee was first hired and 1 year after he left) without requiring further drug screening.

Just as the lack of required background investigations poses unnecessary security risks at the CTF, the contractor's placement of employees at the CTF who were not screened for illegal drugs is of equal concern.

**Management's Position.** In response to our inquiries, DOC and the contractor have been cooperative and have begun taking corrective actions. On April 30, 2003, the contractor conducted background investigations on the 17 employees whose personnel files did not contain documentation showing that the MPD conducted background investigations. The contractor advised the OIG that it used the National Crime Information Center (NCIC) system to determine whether these employees had a criminal record and the system confirmed they did not. Instead of requiring applicants to undergo the MPD background investigation, the contractor now plans to use the NCIC system to conduct the investigations. In addition, the contractor has reviewed the personnel files for all of its employees at the CTF to determine whether the files contain the required background investigation documentation.

EXHIBIT B

## MANAGEMENT ALERT REPORT

Odie Washington, Director, DOC  
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June 24, 2003  
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The contractor also plans to require the 16 employees whose medical files did not contain the appropriate documentation (or were missing) to undergo a drug test screening.

**Recommendations.** We recommend that the Director, Department of Corrections:

1. Monitor the contractor to ensure that the contractor's personnel files for the employees who currently work at the CTF reflect that each employee passed the required background investigation.
2. Monitor the contractor to ensure that the contractor's medical files for all the employees who currently work at the CTF reflect that each employee passed the required drug test screening.
3. Review periodically the contractor's personnel and medical files to determine whether the contractor is in compliance with Article 8 of the O&M Agreement.

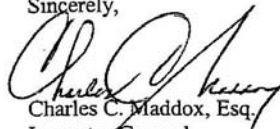
**Closing**

Please provide your response to the finding and recommendations by **July 14, 2003**. Your response should include actions planned or taken, target dates for completing planned actions, and reason(s) for any disagreements with the finding and recommendations. You may suggest alternative actions that would resolve the conditions disclosed in this report. Please refer to MAR No. 03-A-03 when responding to this report.

**Our intention is to limit distribution of this Management Alert Report until comments are received. Therefore, please circulate it only to those personnel who will be directly involved in preparing your response.** The finding discussed in this MAR is part of a work in progress, with additional audit work progressing on all of the audit objectives. This MAR and the other results of the ongoing audit will be addressed in an audit report when the audit effort is completed.

Should you have questions concerning this report or desire a conference before preparing your response, please call me or William J. DiVello, Assistant Inspector General for Audits, at 727-2540.

Sincerely,

  
Charles C. Maddox, Esq.  
Inspector General

cc: Mr. John A. Koskinen, City Administrator  
Ms. Margret Nedelkoff Kellems, Deputy Mayor for Public Safety and Justice

EXHIBIT C

**DOC'S RESPONSE TO MANAGEMENT ALERT REPORT**

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CORRECTIONS

Office of the Director



July 10, 2003

Charles C. Maddox, Esq.  
Inspector General  
717 14<sup>th</sup> Street, N.W.  
Washington, D.C. 20005

Re: Management Alert Report No. 03-A-03

Dear Mr. Maddox:

This is in response to your letter dated, June 24, 2003 in reference to the Management Alert findings that "applicants were not properly screened" at the Corrections Corporation of America/Correctional Treatment Facility (CCA/CTF) in accordance with the requirements in the Contract (OIG No. 30-1-06FL).

The Department of Corrections concurs with the Office of the Inspector General's findings. CCA/CTF did not properly perform background investigations prior to hiring employees and drug screenings could not be verified in the employees' medical files in certain instances. The Department of Corrections in conjunction with the administration at CCA/CTF has taken the steps below to rectify the findings.

- NCIC background checks were conducted on the 17 employees who were found to be out of compliance. Background checks did not uncover any criminal charges or convictions.
- A team of employees from the D.C. Department of Corrections audited CCA/CTF on May 19-23, 2003. During that audit a random sampling of personnel files was reviewed for compliance with the contract as it relates to background checks and urinalysis. The sampling indicated that CCA/CTF was in compliance.

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1923 Vermont Avenue, N.W. Washington, D.C. 20001 (202) 673-7316

EXHIBIT C

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**DOC'S RESPONSE TO MANAGEMENT ALERT REPORT**

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Page 2

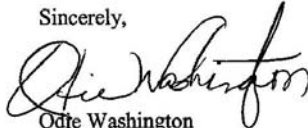
Charles Maddox, Esq., Inspector General  
MAR No. 03-A-03

Additional, safeguards have been put in place to ensure that the required background investigations and drug screenings are being conducted. Please review the attached action plan for the added safeguards. We are looking forward to our close out meeting so that if any additional issues have evolved from your audit we can promptly rectify the non-compliance. As always, constructive audits are welcomed.

If additional information is needed, please call me at 673-7316.

Attachment

Sincerely,



Odie Washington  
Director

Cc: Margret Nedelkoff Kellems  
Deputy Mayor for Public Safety and Justice

EXHIBIT C

DOC'S RESPONSE TO MANAGEMENT ALERT REPORT

District of Columbia  
Office of the Inspector General

Findings and Recommendations  
COMPLIANCE FORM

Use this form to report actions on recommendations made by the Office of the Inspector General (OIG) following an inspection of your agency, program, or other matters. Read the OIG Inspection Report for details about OIG findings and recommendations. Include all information necessary to show compliance with the recommendation. *Fax and then mail* the completed form and any attachments to Office of the Inspector General, Attention: William J. DiVello. The OIG fax number is 202/727.6992. The address is 717 14<sup>th</sup> Street, Northwest, Washington, D.C. 20005. Telephone: 202/7272540.

INSPECTION OF: Department of Corrections

PERIOD OF INSPECTION: March 2003 to present

FINDING: COMPLIANCE AND MONITORING

Applicants Were Not Properly Screened

APPROVED RECOMMENDATION:

- a. Monitor the contract to ensure that the contractor's personnel files for the employees who currently work at CTF reflect that each employee passed the required background investigation.
- b. Monitor the contractor to ensure that the contractor's medical files for all the employees who currently work at the CTF reflect that each employee passed the required drug test screening.
- c. Review periodically the contractor's personnel and medical files to determine whether contractor is in compliance with Article 8 of the O&M Agreement.

RESPONSE DUE TO THE OIG: July 14, 2003

AGENCY ACTION TAKEN (attach additional information as necessary):

1. CCA/CTF audited all personnel files to ensure that all files had the appropriate documentation of background investigations.
2. CCA/CTF conducted background investigations on the 17 employees whose personnel files did not contain documentation that verified background investigations had been completed.
3. Urinalyses were conducted on the 16 employees for whom documentation verifying drug testing prior to hiring was not available.

EXHIBIT C

**DOC'S RESPONSE TO MANAGEMENT ALERT REPORT**

**RESPONSIBLE OFFICIAL:**

Name:	Fred Figueroa	Title:	Warden
Phone:	202-698-3006	Fax:	202-698-3301
Signature:		Date:	

**RESPONSE DUE TO THE OIG:** July 14, 2003

**AGENCY ACTION TAKEN (attach additional information as necessary):**

1. The D.C. Department of Corrections on May 19-23,2003 audited CCA/CTF. The audit included auditing background investigations and urinalysis to ensure that they were completed in accordance to the contract.
2. DOC's Contract Monitor conducted an audit of the new hires that reported to duty on June 30,2003 to ensure that background investigations and urinalyses were conducted prior to hiring in accordance to contract.
- 3.

**RESPONSIBLE OFFICIAL:**

Name:	S.Elwood York, Jr.	Title:	Administrator, Contract Monitoring & Internal Affairs.
Phone:	202-671-2054	Fax:	202-671-2514
Signature:		Date:	

EXHIBIT C

**DOC'S RESPONSE TO MANAGEMENT ALERT REPORT**

**ACTION TO BE COMPLETED:** August 1, 2003

**AGENCY ACTION TO BE TAKEN (attach additional information as necessary):**

1. Center for Correctional Health & Policy Studies Inc. (CCHPS) will provide medical files for each employee at the CCA/CTF. The files will include all medical tests results performed by CCHPS and/or their designees.

**RESPONSIBLE OFFICIAL:**

<b>Name:</b>	<u>Lorella Willis</u>	<b>Title:</b>	<u>Health Administrator</u>
<b>Phone:</b>	<u>202-671-2069</u>	<b>Fax:</b>	<u>202-673-2311</u>
<b>Signature:</b>	<u></u>	<b>Date:</b>	<u></u>



EXHIBIT D

DOC'S RESPONSE TO DRAFT REPORT

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CORRECTIONS

Office of the Director



March 16, 2004

Austin A. Andersen  
Interim Inspector General  
Office of the Inspector General  
717 14<sup>th</sup> Street, NW  
Washington, DC 20005

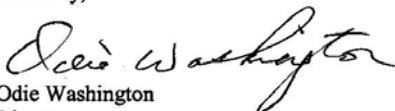
Dear Mr. Andersen:

In response to your February 3, 2004 correspondence, which includes a draft report summarizing the results of the Office of the Inspector General's Audit of the Department of Corrections' (DOC) Correctional Treatment Facility (CTF) Contract, we have reviewed the draft and are forwarding the appropriate response.

The attached information address the specific recommendations highlighted in the report. The DOC looks forward to your including the information being provided in the final report.

In closing, I want to thank you for granting us an extension to properly prepare a response.

Sincerely,

  
Odie Washington  
Director

Attachment

cc: Margret Nedelkoff Kellems, Deputy Mayor for Public Safety and Justice

EXHIBIT D

DOC'S RESPONSE TO DRAFT REPORT

RESPONSE TO IGA REPORT  
PLAN OF ACTION

RECOMMENDATION	ACTION TO BE TAKEN	RESPONSIBLE PERSON	TARGETED COMPLETION DATE
1. Ensure that the contractor maintains copies of inmate grievance forms.	Quarterly Audits	DOC Contract Monitor	02/29/04 05/31/04 08/31/04 11/30/04
	Implement filing and tracking system for grievances that facilitates adequate maintenance and accessibility of all documents.	CCA/CTF Grievance Coordinator	Ongoing
	Process grievances according to CCA/CTF's policies and procedures.	CCA/CTF Grievance Coordinator	Ongoing
2. Ensure proper employee screening of potential employees prior to employment	Quarterly Audits  (Note: In response to an earlier disclosure of this deficiency, this process is already being monitored).	DOC Contract Monitor	02/29/04, 05/31/04, 08/31/04, 11/30/04
	Newly hired employees under go comprehensive screening at three levels before being offered employment to ensure that all	CCA/CTF Human Resource Manager, Personnel Clerk and Training Coordinator	Ongoing

EXHIBIT D

DOC'S RESPONSE TO DRAFT REPORT

RESPONSE TO IGA REPORT PLAN OF ACTION			
RECOMMENDATION	ACTION TO BE TAKEN	RESPONSIBLE PERSON	TARGETED COMPLETION DATE
3. ACA Accreditation Issues: Ensure that medication is administered in a timely manner.	employees meet all requirements. Conduct 60-day review of documentation and personnel files to ensure all newly-hired employees meet contractual requirements.	Medical Director QI Coordinator	Completed and monitored quarterly (March, June, September, and December)
	Hired sufficient staff to ensure medications are dispensed appropriately with sufficient intervals between administering.		
Ensure that medical paperwork is not misplaced or not filed.	Implemented the Electronic Medical Record (logician) to correct the medical record problems. All staff has been oriented to the new system. Training on the system is a component of CCHPS new employee's orientation.	Medical Director QI Coordinator	Completed and monitored quarterly ( March, June, September, and December)

EXHIBIT D

DOC'S RESPONSE TO DRAFT REPORT

RESPONSE TO IGA REPORT  
PLAN OF ACTION

RECOMMENDATION	ACTION TO BE TAKEN	RESPONSIBLE PERSON	TARGETED COMPLETION DATE
4. DOC AUDITS: Ensure that the contractor has a CQI Program	Contractor consolidated policies and procedures between CDF and CTF, including the Quality Improvement Program, which is active and is monitored internally and externally on a quarterly basis.	Medical Director QI Coordinator	Completed and monitored quarterly (March, June, September, and December)
Ensure that there is proper documentation of the sick call process and that the process meets acceptable standards at all times.	Monitoring the sick call process is a function of the Quality Improvement Program. Performance measures based on accepted standards (NCCHC) and are used to measure program appropriateness as well as outcomes.	Medical Director QI Coordinator	Completed and monitored quarterly (March, June, September, and December)

EXHIBIT D

DOC'S RESPONSE TO DRAFT REPORT

RESPONSE TO IGA REPORT  
PLAN OF ACTION

RECOMMENDATION	ACTION TO BE TAKEN	RESPONSIBLE PERSON	TARGETED COMPLETION DATE
Ensure that the Contract Monitor has in place an Infectious Disease Control Program	An infectious Disease Control Program has been implemented and is monitored for appropriateness through the Quality Improvement Program.	Medical Director QI Coordinator	Completed and monitored quarterly (March, June, September, and December)

EXHIBIT D

DOC'S RESPONSE TO DRAFT REPORT

RESPONSE TO IGA REPORT  
PLAN OF ACTION

RECOMMENDATION	ACTION TO BE TAKEN	RESPONSIBLE PERSON	TARGETED COMPLETION DATE
1. Ensure that the contractor maintains copies of inmate grievance forms.	Quarterly Audits	DOC Contract Monitor	Quarterly (Feb. 04, May 04, Aug. 04, Nov. 04.....)
	Proper filing and tracking system for grievances has been established to ensure all paperwork is maintained and accessible.	CCA/CTF Grievance Coordinator	Ongoing
	Grievances will be picked up and handled according to CCA/CTF's policies and procedures.	CCA/CTF Grievance Coordinator	Ongoing
2. Ensure proper employee screening of potential employees prior to employment	Quarterly Audits	DOC Contract Monitor	Quarterly (Feb. 04, May 04, Aug. 04, Nov. 04.....)
	(Note: Based on earlier disclosure of this deficiency, the Contract Monitor has been monitoring this process).		
	Newly hired employees are screened by 3 employees before being offered employment to ensure all	CCA/CTF Human Resource Manager, Personnel Clerk and Training Coordinator	Ongoing

EXHIBIT D

DOC'S RESPONSE TO DRAFT REPORT

RESPONSE TO IGA REPORT  
PLAN OF ACTION

RECOMMENDATION	ACTION TO BE TAKEN	RESPONSIBLE PERSON	TARGETED COMPLETION DATE
	employees have proper documentation. Conduct 60 day inspection of new hire paperwork and employee personnel files to ensure all employees meet contractual requirement		
3. ACA Accreditation Issues: Ensure that medication is administration is done in a timely manner.	Sufficient staff has been hired and the medications are being dispensed appropriately with sufficient intervals between administrations.	Medical Director QI Coordinator	Completed and monitored quarterly (March, June, September, and December....)
Ensure that medical paperwork is not misplaced or not filed.	The medical record problems have been corrected with the implementation of the electronic medical record (logician). To date, all staff has been oriented to the new system. For the new staff, training for the new system is a component of CCHPS new employee's orientation.	Medical Director QI Coordinator	Completed and monitored quarterly ( March, June, September, and December...

EXHIBIT D

DOC'S RESPONSE TO DRAFT REPORT

RESPONSE TO IGA REPORT  
PLAN OF ACTION

RECOMMENDATION	ACTION TO BE TAKEN	RESPONSIBLE PERSON	TARGETED COMPLETION DATE
4. DOC AUDITS: Ensure that the contractor has a CQI Program	The contractor has also consolidated policies and procedures between CDF and CTF, including the Quality Improvement Program, which is active and is monitored internally and externally on a quarterly basis.	Medical Director QI Coordinator	Completed and monitored quarterly (March, June, September, and December.....)
Ensure that there is proper documentation of the sick call process and that the process meets acceptable standards at all times.	Monitoring of the sick call process is a function of the Quality Improvement Program. Performance measures based on accepted standards (NCCHC) are used to measure program appropriateness as well as outcomes.	Medical Director QI Coordinator	Completed and monitored quarterly (March, June, September, and December.....)



EXHIBIT D

DOC'S RESPONSE TO DRAFT REPORT

RESPONSE TO IGA REPORT  
PLAN OF ACTION

RECOMMENDATION	ACTION TO BE TAKEN	RESPONSIBLE PERSON	TARGETED COMPLETION DATE
Ensure That the contract monitor has in place an Infectious Disease Control Program	An infectious Disease Control Program has been implemented and is monitored for appropriateness through the Quality Improvement Program.	Medical Director QI Coordinator	Completed and monitored quarterly (March, June, September, and December...)

EXHIBIT E

OCP'S RESPONSE TO DRAFT REPORT

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of Contracting and Procurement

Director



March 22, 2004

Mr. Austin A. Anderson  
Interim Inspector General  
Office of the Inspector General  
717 14<sup>th</sup> Street, N.W.  
Suite 500  
Washington, D.C. 20005

Dear Mr. Anderson:

I am responding to your Audit of the Department of Corrections' (DOC) Correctional Treatment Facility (CTF) Contract (OIG No. 03-06FL).

Results of Audit, Section I reports on the Solicitation and Award Process and found that the contract files did not contain certain information. I am providing your findings and OCP's response:

**Finding:** The contract file did not include adequate documentation showing the Council approved the contract as required. The approval documents have been located in the Office of Legislative Liaison and will be filed in the official contract file.

**Response:** The CTF contract files did not include adequate result documentation to demonstrate that the District complied with D.C. Law 11-149. In a memorandum dated September 6, 1996 the City Administrator stated that the District issued a public notice seeking proposals for the CTF privatization contract. However the contract files did not include a copy of the notice. I have been assured that such notice was publicized and we are researching our files in archives in an effort to locate the notice of publication. We are also seeking a copy of the notice from the Washington Post in an effort to complete the contract files as required.

There were no other OCP findings contained in your report.

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441 4th Street N.W., Suite 700 South, Washington, D.C. 20001  
(202) 727-0252 Fax: (202) 724-5673

EXHIBIT E

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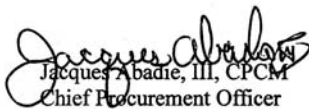
**OCP'S RESPONSE TO DRAFT REPORT**

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**Austin Andersen**  
**March 22, 2004**  
**Page 2**

Should you require additional information please contact Mr. John D. Soderberg, Commodity Manger, Human Care Supplies and Services, at (202) 724-4233.

Sincerely,

  
Jacques Abadie, III, CPCM  
Chief Procurement Officer

JA/js

cc: Robert C. Bobb, City Administrator  
Margret Nedelkoff Kellems, Deputy Mayor for Public Safety and Justice  
John Soderberg, Commodity Manager, Human Care Supplies and Services